



Iowa Department of Human Services

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INFORMATION LETTER NO.1294

DATE: October 3, 2013

TO: Iowa Medicaid Hospice Agencies

FROM: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

SUBJECT: Annual Update of Hospice Rates

EFFECTIVE: October 1, 2013

Medicaid Hospice Rates

Pursuant to 441 IAC 79.1(14), Medicaid hospice rates are based on the methodology used in setting Medicare rates for the categories of care provided with application of an appropriate area wage adjustment. The Centers for Medicare and Medicaid Services (CMS) publishes Medicaid hospice payment rate changes annually for the four levels of care shown below:

Hospice providers are required to comply with section 3004 of the Affordable Care Act (ACA) and the implementing regulation 78 CFR 48234 (August 7, 2013). This section requires that hospice providers comply with the quality data submission requirements. CMS has published tables indicating payments at different levels for providers that have and have not complied with the quality data submission requirements. The State of Iowa does not recognize this reporting requirement as a condition for reimbursement and, as such, is implementing the table for those that have not submitted the required quality data.

The Medicaid hospice payment rates shown below are effective October 1, 2013, through September 30, 2014. These daily hospice rates are base rates. The wage component of the rate is adjusted by an appropriate wage index to reflect geographical differences in area wage levels.

Wage Indexes

Annual updates to the hospice wage indices were published in the Federal Register (Volume 78, Number 152) on August 7, 2013. The published wage indices are based on the most current available wage data as well as changes implemented by the Office of Management and Budget (OMB) to the definitions of Metropolitan Statistical Areas (MSAs), which are superseded by Core Based Statistical Areas (CBSAs). For FFY 2014, the full CBSA-based wage index values have been used.

Room & Board Payments

The room and board payment for hospice residents residing in nursing facilities is ninety-five percent of the associated nursing facility's base rate.

Medicaid Hospice Rates Effective October 1, 2013 – September 30, 2014				
Revenue Code	Level of Care Description	Daily Rate	Wage Component Subject to Index	Unweighted Amount
651	Routine Home Care	\$153.19	\$105.26	\$47.93
652	Continuous Home Care	\$893.22 (full rate = 24 hours of care/\$37.22 hourly rate)	\$613.73	\$279.49
655	Inpatient Respite Care	\$166.57	\$90.17	\$76.40
656	General Inpatient Care	\$680.54	\$435.61	\$244.93

Additional Information

Questions relating to this Informational Letter may be directed to the IME Provider Services Unit at 1-800-338-7909 or locally in Des Moines at 515-256-4609 or email at imeproviderservices@dhs.state.ia.us.